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SUBJECT: Brazil: US Mission's 4th Quarter 2006 Corporate Social Responsibility Activities

REF: Brasilia 2678

11. Summary. (U) Since October 2006, when Ambassador launched the US Embassy's Corporate Social Responsibility (CSR) Initiative, USAID, FCS, Embassy and Consulate Sao Paulo have worked exhaustively with our 31 corporate partners (firms such as Microsoft, GE, IBM, and GM) to follow-up on this issue. Committees on Visibility, Institutional Framework and Partnership were formed and met over the following weeks to solidify the Initiative. Each Committee requested information on overlapping CSR causes in which US companies could cooperate, as well as an Intranet site for facilitated communication. Three surveys on US CSR activities were collected October 18 - December 13, and the quarter's CSR activities rounded out with a well-attended event at the US Consulate in Sao Paulo featuring Dr. Jeffrey Sachs as keynote speaker. All this effort has generated positive press print and television coverage for the Mission and its CSR Initiative. End Summary.

CSR Initiative Launch Event

12. (SBU) Ambassador Sobel launched the CSR Initiative on October 18, opening the roundtable event by recognizing AmCham Sao Paulo for its CSR work. The Ambassador told the attendees that the roundtable was an opportunity to create a CSR partnership composed of US private and public interests aimed at fostering synergies among, and visibility for, US CSR programs. The Ambassador then highlighted a number of USAID programs, as well as the Embassy's Youth Ambassadors, before turning the discussion over to Adolfo Franco, USAID's Assistant Administrator for Latin America. In his remarks, Mr. Franco emphasized USAID's relationship with Brazil and the need to work with partners to address the country's socioeconomic challenges. Mr. Franco termed Brazil a strategic partner in "a tough neighborhood," noting that the region's veer to the left has pushed our two countries closer together. Mr. Franco then opined that one way for us to offer an alternative vision to that of Venezuelan President Chavez is for the US government and private sector to cooperate in addressing the regions' socioeconomic needs.

13. (U) The ensuing roundtable discussion made clear that final

decisions on CSR projects are mostly made in Brazil, although consultation with corporate headquarters in the US is often required. The businesses also discussed the benefit of funding CSR programs near their facilities, thus enabling them to address local needs over the long-term, at times implementing training programs to prepare underprivileged area residents for employment. Long-term project sustainability and relevance to local communities was repeatedly emphasized as experience shows programs that come and go generate poor press coverage and public reaction. Calls for more positive press coverage of US CSR programs peppered the entire discussion. The participants expressed their appreciation to the Embassy for leading this initiative, noting the importance of pursuing the appropriate media strategy to ensure that the local press disseminates our message.

Survey Looks at Successful CSR Programs

14. (U) The results from the first of three surveys were revealed during the launch event. Queried as to potential speakers at a CSR event, a majority of respondents requested noted economist Jeffrey Sachs. US companies were also surveyed about their most effective CSR programs and the challenges they face when implementing CSR programs in Brazil. Concurring with the group discussion, respondents indicated that successful programs often are located near a company's facilities and include training programs for local residents. CSR implementation challenges in Brazil included: difficulty choosing only one of Brazil's many needs to address, adapting to local needs, and vetting potential NGO partners. The surveys also asked in which CSR committee the business would like to participate. The top two choices were the Institutional Framework and the CSR Visibility committee.

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Committee Meetings Solidify Initiative

15. (U) The Committees each met over the weeks following, and will continue to meet on a periodic basis. An FCS and/or USAID representatives attended each of the meetings. The outcomes of these committee meeting include: (i) an effort to identify areas of overlap among US CSR activities in Brazil. Such areas, termed "clusters", entailed common causes like health, education or the environment. With these clusters in hand, the Committee hopes to foster further cooperation; (ii) the proposal of a CSR intranet site with chat and document posting functions to facilitate communication among all Initiative participants. FCS has constructed the intranet site on its own server and will present it at the next meeting; (iii) preparation of a list of all US CSR events in Brazil for coordination; and (iv) the formulation of a Vision and Mission Statements for the Initiative, which is currently under development. Committee meetings also agreed on an increase of the number of US business taking part on this Initiative (from 31 to 50 businesses). Again, these outcomes will be presented to Initiative participants in its next meeting.

Second Survey Clarifies U.S. Corporate Volunteer Programs

18. (U) A second survey centering on US company volunteer programs showed that 90% of surveyed companies have formal volunteer programs involving an estimated 65,000 employees. GE and McDonald's account for 83% of this total. 75% of the companies directly manage the volunteer programs, with activities emphasizing education and philanthropy (collecting toys, clothes, etc). 100% responded "yes" that their volunteers could participate in an Embassy led volunteer event.

Jeffrey Sachs Headlines December Event

19. (U) Responding to popular demand (as expressed in the October survey), Ambassador arranged for noted economist Jeffrey Sachs to be the keynote speaker at a mid-December CSR event at U.S. Consulate Sao Paulo that drew 75 US business and Brazilian NGO attendees from

53 organizations, along with a slew of local press. (See reftel.) Sixteen CEOs attended. Ambassador Sobel provided opening remarks and introductions for Dr. Sachs. Clear throughout Dr. Sachs' speech was his optimism for Brazil's socioeconomic development. Dr. Sachs said Brazil would see greater development when its public and private sectors jointly harnessed the power of education and technology to address poverty. Dr. Sachs also emphasized that companies are positive agents for the world economy, though sometimes anti-globalization activists wrongly see them as destructive agents. He called upon transnational companies to expand their efforts to fight poverty

¶10. (U) A third CSR survey was distributed during the December event. All 32 respondents agreed to attend a large CSR event in late 2007, and 30 of 32 agreed to a follow up CSR meeting, likely for March in Sao Paulo. Nominations for future keynote speakers were Al Gore, Melinda and Bill Gates, Bill Clinton, Barack Obama, Robert Kennedy, Paul Wolfowitz and Mohammed Yunis. Qualcomm, Dixie Toga, WalMart, Monsanto, Merck, Corning, Arvin Meritor, JP Morgan, Alcoa, Cisco and Intel expressed interest in showcasing their CSR work at a future meeting.

CSR Initiative Creates Positive Press Coverage

¶11. (U) Two editorials by Ambassador Sobel on CSR have appeared in local press, the first on October 18 in the respected daily "Folha de Sao Paulo" and the second on December 5 in the business newspaper "Valor Economic." The editorials highlighted both the Corporate Excellence Award, won in 2006 by the small US company Sambazon that operates in Brazil, and the general importance of CSR, drawing on Ambassador Sobel's business background. Ambassador Sobel also

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appeared during a five-minute segment on TV Globo shot during the Jeffrey Sachs event. Dr. Sachs' speech was highlighted in the Folha de Sao Paulo on December 15, and the weekly newsmagazine Istoe printed an interview he gave.

Sobel